

### REMARKS

This Amendment is submitted in response to the Office Action dated September 22, 2005, having a shortened statutory period set to expire December 22, 2005. Applicants have canceled Claims 1-10, 14-22, 24-41, 44-58 and 63-78. Therefore, Claims 59-62 are now pending in the present application. No new matter has been entered by these amendments.

#### Response to Examiner's "Response to Arguments" Regarding Claim 59

In section 3 of the present Office Action, the Examiner's grounds for rejection actually support patentability of the present invention. The Examiner argues that *Williams* teaches the bandwidth allocated to a subscriber is in the form of a discrete wavelength. Applicants do not dispute this aspect of both *Williams* teaching and Applicant's invention. What the Examiner continuously fails to address is the Applicants' invention of providing an optical transceiver that is "*exclusively assigned to a subscriber destination*" as is recited in independent Claim 59. Moreover, the teaching of *Williams* cited by the Examiner at col. 12, lines 31-44 clearly teaches away from such a system configuration.

*Williams* teaches that because of the high cost associated with physical transceivers necessary to convert optical signals of very high bandwidths to electrical signals and vice versa, wavelength division multiplexing creates a cheaper transmission path for distribution than time division multiplexing on fiber optic networks. The large savings achieved at the physical layer (layer 1 in Figure 2) more than compensates for the complexity introduced into layers 2 and 3 (see col. 12, lines 31-39) by *Williams* solution. *Williams* is teaching wave division multiplexing (WDM) to provide separation of wavelengths for each customer transmitting from a single physical transceiver.

If *Williams* was teaching the present invention, they could not be advocating cost savings at the physical layer 1 because the present invention uses a single transceiver for each wavelength, thus eliminating any cost savings at the physical layer. *Williams* clearly teaches allocating a wavelength, but in no way teaches that an optical transceiver is "*exclusively assigned to a subscriber destination*" as is recited in independent Claim 59. Applicants respectfully request reconsideration of the rejection of Claim 59.

**Claim Rejections under 35 U.S.C. §102**

In section 20 of the present Office Action, Claims 59-61 have been rejected under 35 U.S.C. §102(b) as being anticipated by *Williams et al.* (U.S. Patent No. 5,808,767). That rejection is respectfully traversed and reconsideration of the claims is requested.

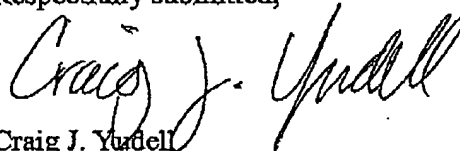
Independent Claim 59 in the present application has been amended to include the recitation that *"each optical transceiver exclusively assigned to a subscriber destination to allocate unshared bandwidth to its assigned subscriber destination."* While the present Office Action argues on pages 3-4 that *Williams* discloses such a system of optical transceivers, the Examiner merely admits that each transceiver operates on a distinct wavelength and that wavelengths are dynamically assigned to subscriber destinations (see page 3 of the present Office Action). Applicants pointed out in our previous response that the present invention was claiming the assignment of each optical transceiver to a subscriber destination, not merely assigning the unshared bandwidth to either the transceiver or the destination. In the Examiner's response to arguments on page 50 of the present Office Action, this distinction does not appear to have been recognized. Therein, the Examiner repeats the theory that *Williams* teaches dynamically assigning bandwidth by "assigned wavelength and time slot" without a single mention of optical transceivers.

Applicants again submit that *Williams* fails to show or suggest a plurality of optical transceivers wherein *"each optical transceiver assigned to a subscriber destination."* On page 3 of the present Office Action, it is argued that *Williams* teaches this element of the present invention by the disclosed elements of a transmitter array 401 and receiver 403 in Figure 4, and further by the descriptions at col. 10, lines 18-33 and col. 8, lines 24-31. In one teaching (col. 10), *Williams* is teaching assigning fixed wavelengths to each of the transmitters 401, and in another teaching (col. 8), describing that the media access controller 105 has the capability to allocate bandwidth, wavelengths or bit rate connections. *Williams* does not suggest there is a connection between carrier wavelengths set in each of the integrated circuits 401 and bandwidth allocated by MAC 105. The transceivers 401 merely provide the carrier for the allocated bandwidth, however it is modulated on top of the carrier. *Williams* does not teach, in contrast to

the present invention, that MAC 105 allocates an entire IC 401 to a specific subscriber and forbids such wavelength to be shared with any other subscriber, for example if a particular carrier frequency generated by IC 401 produces excess bandwidth. *Williams* teaches allocating a wavelength and a time slot, but in no way teaches that an optical transceiver 401 is "*exclusively assigned to a subscriber destination*" as is recited in independent Claim 59.

For the reasons given above, Applicants respectfully submit that *Williams* does not show or suggest the present invention as claimed in independent Claim 59. Applicants respectfully request reconsideration of the rejection of Claim 59 under 35 U.S.C. § 102(b). For the same reasons, Applicants also respectfully request reconsideration of rejection of Claims 60-62, which are dependent upon independent Claim 59. Applicant's believe that the pending claims are clearly patentable over the prior art of record and that the present application is in condition for allowance.

Respectfully submitted,



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